

CLERK: Mr. President, Senator Chambers moves that LB 620 be held, being held by the Revenue Committee be placed on General File pursuant to Rule 3, Section 10(b).

SENATOR CHAMBERS: Mr. Chairman, and members of the Legislature, this is a bill which the Revenue Committee is locked up on. It relates to taking the tax off food. Senator Newell has a bill similar to this one and none of those bills that relate to this subject matter are going to be advanced by the Revenue Committee. I understand that it is a hot political issue at this point because people have to run for office but this is the very time that we ought to deal with the bill and let the people be told that those who are running think that food should be taxed. I don't think that there are members of the Legislature who will agree that the present system is equitable. Now there is returned to the people, \$20 which is considered a food tax credit. If you look at page two of the fiscal note attached to LB 620 you will see, well the flip side of page two, that the fiscal analyst determined that the average person spends \$853 for food. If the credit were to be given on the basis that the statute says, meaning that the money paid in taxes for food will be returned, that should be \$25.29 to each citizen. Currently the amount is \$20. That is \$5.29 short. The cities that are receiving a sales tax, those cities being Omaha, Lincoln, Bellevue and North Platte, would be required to return \$8.43 per citizen if they are to give the credit. So the citizens in Omaha, Lincoln, Bellevue and North Platte should be receiving a credit of \$33.72. That information can be derived from the fiscal note. But in arriving at those figures it has been necessary to consider average amounts spent for food in regions other than just the State of Nebraska. Anything offered in the way of figures can only be an approximation, the validity of which will depend on the validity of the information from which the approximation is made. The point that I want to make is that something ought to be done about the tax on food this session. If you're not going to take the tax off completely, you ought to at least modify upward the amount of the food tax credit. LB 620 is locked in Committee. It will take twenty five votes to put it before the body. I believe that the bill should be advanced. It should be placed on General File and it ought to be debated by the Legislature this session, so my motion is that LB 620, which is currently being held in the Revenue Committee, be advanced to the floor of the Legislature.

PRESIDENT: Senator Koch. I recognize you for two minutes.

SENATOR KOCH: Mr. President, members of the body, I rise to support Senator Chambers. The issue of food tax should be discussed, particularly in view of the fact that testimony before the Education Committee the other day indicated that the refund the money generated under the new Revenue Act which is supposedly State Aid, for the increase, is now being refunded to the people through a food tax rebate. That is a matter of public record. So if that is the way we are going to use our money, then I think we had better make certain that people realize directly the relief we are trying to talk to today. I support eliminating tax on food. I have since I've been here and I'll continue to do it all the way through because one of my political platforms was eliminate food tax and I intend to follow it to the bitter end. I support Senator Chambers and not only that, there is one other factor. The City of Omaha today makes \$5,000,000 in food tax. The City of Lincoln makes \$2,000,000 on it. Others are also making